April 10, 2013

U.S. House of Representatives
Energy Tax Reform Working Group
Washington, DC

VIA ELECTRONIC MAIL

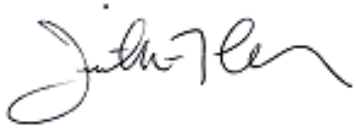
Subj: Wind Production Tax Credit

To the Members of the Energy Tax Reform Working Group:

I have researched the wind production tax credit (PTC) and am attaching several research articles I have published this year on the subject. My research, which involved analysis of hourly electric load and wind production data in the 13-state (and DC) PJM Interconnection, the Midwest ISO, and Texas, which collectively have over 27,000 MW of installed wind generation found a strong negative relationship between wind production and actual load. In other words, when the demand for electricity is greatest, the amount of available wind generation is lowest. This inverse relationship means that subsidized wind generation produces electricity having the lowest economic value. In fact, in many low-demand hours, so much wind generation is produced that wholesale prices are below zero. My research shows that the geographic dispersion of wind generation does not counter this effect, contrary to claims of wind industry subsidy proponents. Moreover, the costs to "integrate" highly variable wind power to the high-voltage power grids are far higher than the costs to integrate traditional generating resources, such as natural gas generators, which can be scheduled to match hourly electric demand.

I hope the Working Group finds these articles useful as you contemplate reforms to the tax code.

Yours truly,



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Attachments

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